

FY16-21 Capital Budget Project Requests

Department Request Working
Meeting

January 13, 2015

Choose
FRAMINGHAM

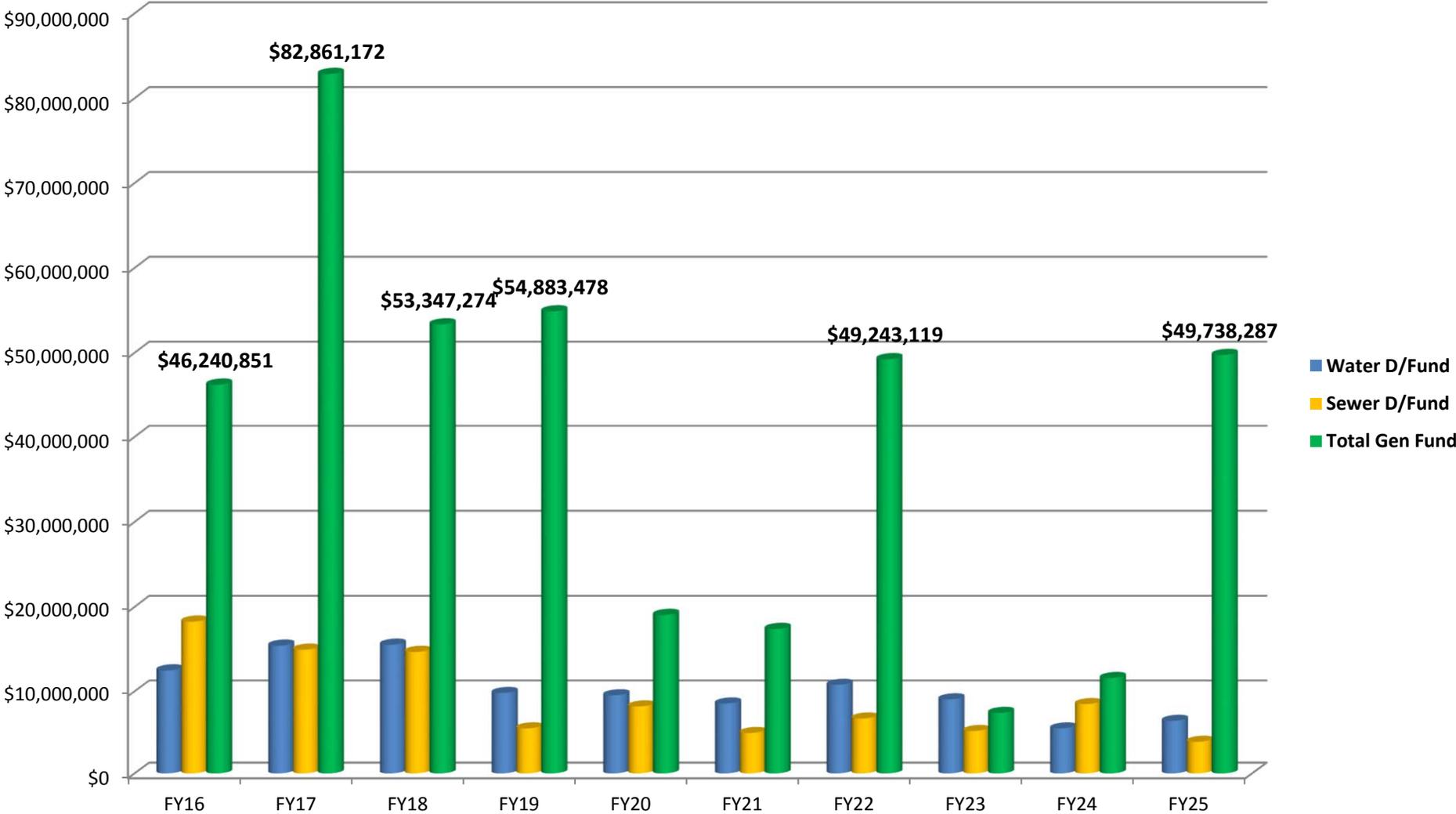
Global Decision-making Metrics

- Impact of the debt service on operating budget near term (not just current FY)
 - Property tax levy cap and impact of residential tax bills
 - Increase in water and sewer rates
- Risk if project not approved
- Management capacity to complete projects promptly
- Ability to obtain alternative sources of funding (grants, *no* interest loans)

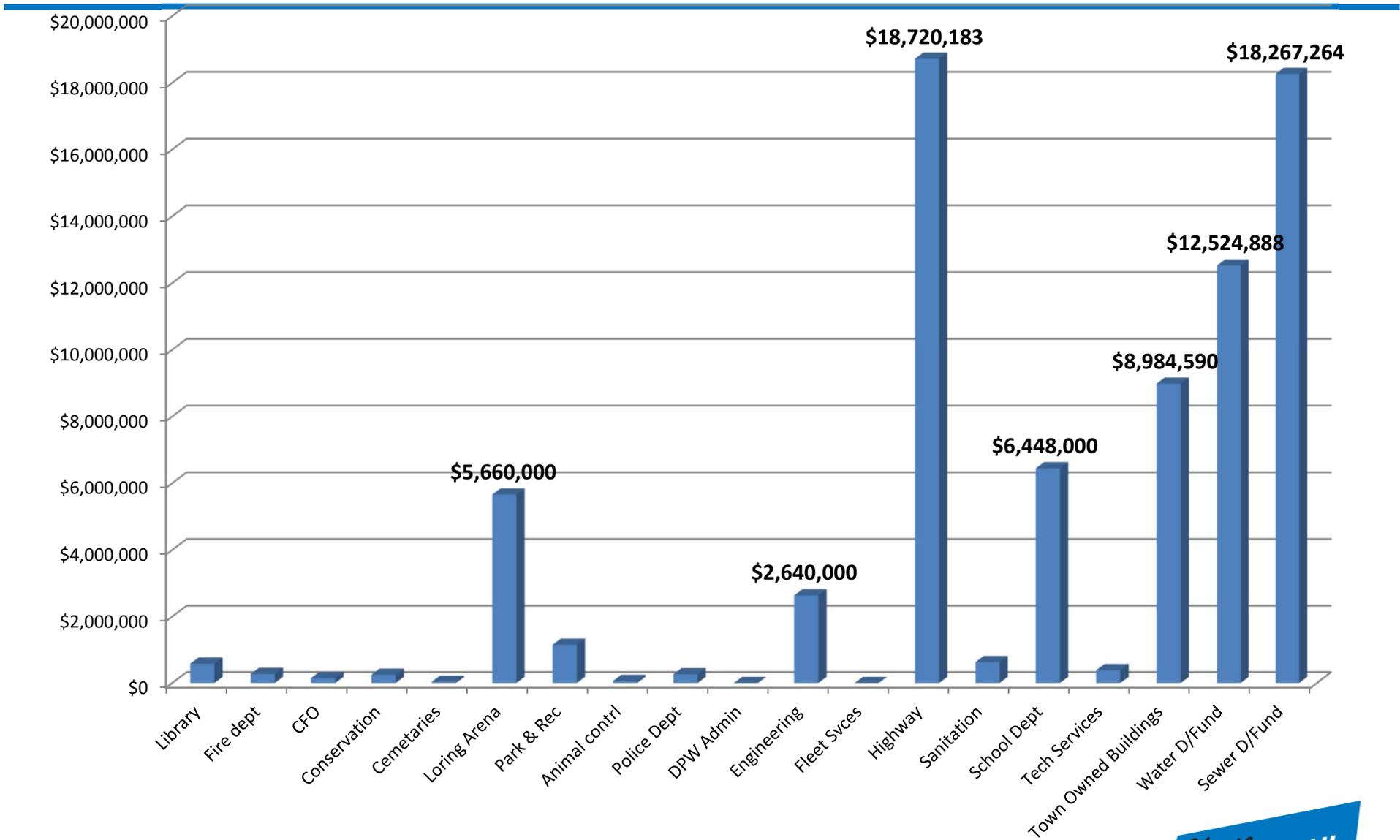
Capital Project Requests

- The core Town Building Long Range Plan is included in this plan
 - The ESCO project has been stripped out of the LRBP
- School building projects do assume MSBA funding for FY17 but not in the future
- Roadway Repair is proposed in three year cycles for efficiency and maximizing resources

Capital Requests by Fund



FY16 Requests



Request by Type

- Equipment: \$2,643,356
- Water Fund Equipment: \$634,588
- Sewer Fund Equipment: \$1,205,764
- GF Infrastructure: \$22,106,905
- Water infrastructure: \$11,890,300
- Sewer Infrastructure: \$17,061,500
- School Buildings: \$3,185,000
- School Equipmnt/Non-Bldng: \$3,263,000
- Town Buildings: \$15,042,590

GF - Major Projects

- Pearl St Ramp: \$583,000 design & build
- Loring Arena: \$5.6 mill renovation
- Mary Dennison Park: \$800,000
- Landham Pond Dam Removal: \$590,000
- Annual Roadway Improvements (3 year plan): \$18 million
- School Technology \$1.16 million
- Stapleton Masonry repoint \$970,000
- Farley pool are roof \$1 million
- School paving \$1.4 million
- Callahan Sr Ctr Roof \$575,000

W/S Major projects

- Worcester Road Area Sewer Improvements - Design \$1,245,000
- Shawmut Terrace/John McQuinn Pump Stations/Woodland Force Main Improvements - Design \$1,100,000
- Interchange 12 Railway Sewer Alignment - Design and Construction \$9,810,000
- Water Meter Replacement Program - Sewer \$1,004,000
- Speen Street Area Sewer Force Main Abandonment - Design and Construction \$1,410,000
- Evergreen Street Area Sewer Improvements - Design and Construction \$648,000
- Water Meter Replacement Program - Water \$1,004,000
- Evergreen Street Area Water Main Improvements - Design and Construction \$3,160,000
- Speen Street and Cochituate Road Water Main Replacement - Construction \$3,980,000

Some Ideas So Far

- Town Buildings: Defer Long Range Building Plan projects to 2017
 - Let ESCO move forward and adjust the LRBP to final ESCO list, update a handful of building repairs already completed
 - There are a handful of have to do projects listed separately that if we do this year will impact the plan
- Triennial Roadway Improvements: Request \$18 million, approve \$12-\$15 million
 - 3 year plan gives consistency and cost effectiveness
 - But also reduced to fit within our capacity to finance and manage

Debt Service

- The annual amounts needed to “pay down” the bonds
 - aka Loan payments
- This is an operating budget expense
 - Competes with other budget priorities like police, school, fire, DPW, Park & Rec and Economic Development
 - Impacts our ability to manage the increase in the tax levy
 - Effects the increase in water and sewer rates

Mapping out Debt Service

						FY16 Projected Debt Service	FY17 Projected Debt Service	FY18 Projected Debt Service	FY19 Projected Debt Service	FY20 Projected Debt Service
X	G	Intersection improvements, 2016 - Design	\$270,000	5	3.7%	\$ 4,995	\$ 63,990	\$ 59,994	\$ 57,996	\$ 55,998
X	G	Annual Drainage System & Water Quality Projects - 2016	\$150,000	5	3.7%	\$ 2,775	\$ 35,550	\$ 33,330	\$ 32,220	\$ 31,110
E	G	Replacement of 11,000 GVW 4 WD Cab & Chassis with Utility Body and Plow #418	\$58,235	5	3.7%	\$ 1,077	\$ 13,802	\$ 12,940	\$ 12,509	\$ 12,078
E	G	Replacement of Backhoe/Loader and Plow #430	\$141,170	10	3.7%	\$ 2,612	\$ 19,340	\$ 18,296	\$ 17,773	\$ 17,251
X	G	Annual Roadway Improvements - 2016 through 2018	\$6,000,000	20	3.7%	\$ 111,000	\$ 522,000	\$ 499,800	\$ 488,700	\$ 477,600
X	G	Annual Roadway Improvements - 2016 through 2018	\$6,000,000	20	3.7%		\$ 111,000	\$ 522,000	\$ 499,800	\$ 488,700
X	G	Annual Roadway Improvements - 2016 through 2018	\$6,000,000	20	3.7%			\$ 111,000	\$ 522,000	\$ 499,800
E	G	Replacement of Brush Chipper #188	\$88,363	8	3.7%	\$ 1,487	\$ 19,848	\$ 17,857	\$ 17,262	\$ 16,667
E	G	Replacement of 6 CY Material Spreader # 426A	\$40,480	10	3.7%	\$ 749	\$ 5,546	\$ 5,246	\$ 5,096	\$ 4,947
E	G	Replacement of Sidewalk Tractor – Tracked #460	\$191,700	10	3.7%	\$ 3,546	\$ 26,263	\$ 24,844	\$ 24,135	\$ 23,426
E	G	Replacement of 11,000 GVW 4 WD Cab & Chassis with Utility Body and Plow #419	\$58,235	5	3.7%	\$ 1,077	\$ 13,802	\$ 12,940	\$ 12,509	\$ 12,078

FY2016-2021 General Fund Debt Service Impact

General Fund	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund Estimated Revenue	\$ 253,806,803	\$ 259,185,674	\$ 265,985,425	\$ 275,222,948	\$ 285,223,638	\$ 295,206,465
Debt Service Policy Limit of 5%	\$ 12,690,340	\$ 12,959,284	\$ 13,299,271	\$ 13,761,147	\$ 14,261,182	\$ 14,760,323
Existing General Fund Debt Service Total	\$ 10,238,054	\$ 9,267,754	\$ 8,145,599	\$ 6,783,891	\$ 5,234,462	\$ 4,050,791
Authorized but Unissued Total	\$ 1,274,026	\$ 3,525,508	\$ 3,325,162	\$ 3,227,143	\$ 3,129,130	\$ 3,031,111
Total Debt Service on Existing General Fund Debt	\$ 11,512,080	\$12,793,262	\$11,470,761	\$ 10,011,034	\$ 8,363,592	\$ 7,081,902
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Available Debt Service	\$ 9,001,085	\$10,282,267	\$ 9,341,090	\$ 7,881,363	\$ 6,233,921	\$ 4,952,235
Debt Service for FY2016 Capital Plan Projects*	\$ 633,467	\$ 3,785,805	\$ 4,129,619	\$ 4,429,332	\$ 4,306,936	\$ 4,195,649
Debt Service for FY2017 Capital Plan Projects*		\$ 662,365	\$ 4,387,130	\$ 4,154,390	\$ 4,038,017	\$ 3,921,645
Debt Service for FY2018 Capital Plan Projects*			\$ 1,013,597	\$ 5,423,259	\$ 5,165,160	\$ 5,036,105
Debt Service for FY2019 Capital Plan Projects*				\$ 823,233	\$ 4,182,326	\$ 4,557,830
Debt Service for FY2020 Capital Plan Projects*					\$ 381,141	\$ 2,351,206
Debt Service for FY2021 Capital Plan Projects*						\$ 348,189
Subtotal Future Debt Service:	\$ 633,467	\$ 4,448,170	\$ 9,530,346	\$ 14,830,214	\$ 18,073,580	\$ 20,062,435
New (Gross) Debt Service	\$ 12,145,547	\$17,241,432	\$21,001,107	\$ 24,841,248	\$ 26,437,172	\$ 27,144,337
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Debt Service Calculation for Policy Limit	\$ 9,634,552	\$14,730,437	\$18,871,436	\$ 22,711,577	\$ 24,307,501	\$ 25,014,670
Percentage of Operating Budget	3.8%	5.7%	7.1%	8.3%	8.5%	8.5%

*Assumes all projects requested in FY17 to FY21 are authorized and debt service is calculated. Each year is evaluated as they are authorized and reduced by vote of Town Meeting to not exceed available budget. Assumes MA School Building Authority funding for FY17 only.

Post deferrals example

FY2016-2021 General Fund Debt Service Impact						
General Fund	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund Estimated Revenue	\$ 253,806,803	\$ 259,185,674	\$ 265,985,425	\$ 275,222,948	\$ 285,223,638	\$ 295,206,465
Debt Service Policy Limit of 5%	\$ 12,690,340	\$ 12,959,284	\$ 13,299,271	\$ 13,761,147	\$ 14,261,182	\$ 14,760,323
Existing General Fund Debt Service Total	\$ 10,238,054	\$ 9,267,754	\$ 8,145,599	\$ 6,783,891	\$ 5,234,462	\$ 4,050,791
Authorized but Unissued Total	\$ 1,274,026	\$ 3,525,508	\$ 3,325,162	\$ 3,227,143	\$ 3,129,130	\$ 3,031,111
Total Debt Service on Existing General Fund Debt	\$ 11,512,080	\$12,793,262	\$11,470,761	\$ 10,011,034	\$ 8,363,592	\$ 7,081,902
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Available Debt Service	\$ 9,001,085	\$10,282,267	\$ 9,341,090	\$ 7,881,363	\$ 6,233,921	\$ 4,952,235
Debt Service for FY2016 Capital Plan Projects*	\$ 350,645	\$ 2,279,769	\$ 2,516,436	\$ 2,719,972	\$ 2,642,106	\$ 2,571,642
Debt Service for FY2017 Capital Plan Projects*		\$ 662,365	\$ 4,387,130	\$ 4,154,390	\$ 4,038,017	\$ 3,921,645
Debt Service for FY2018 Capital Plan Projects*			\$ 1,013,597	\$ 5,423,259	\$ 5,165,160	\$ 5,036,105
Debt Service for FY2019 Capital Plan Projects*				\$ 823,233	\$ 4,182,326	\$ 4,557,830
Debt Service for FY2020 Capital Plan Projects*					\$ 381,141	\$ 2,351,206
Debt Service for FY2021 Capital Plan Projects*						\$ 348,189
Subtotal Future Debt Service:	\$ 350,645	\$ 2,942,134	\$ 7,917,163	\$ 13,120,854	\$ 16,408,750	\$ 18,438,428
New (Gross) Debt Service	\$ 11,862,725	\$15,735,396	\$19,387,924	\$ 23,131,888	\$ 24,772,342	\$ 25,520,330
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Debt Service Calculation for Policy Limit	\$ 9,351,730	\$13,224,401	\$17,258,253	\$ 21,002,217	\$ 22,642,671	\$ 23,390,663
Percentage of Operating Budget	3.7%	5.1%	6.5%	7.6%	7.9%	7.9%

*Assumes all projects requested in FY17 to FY21 are authorized and debt service is calculated. Each year is evaluated as they are authorized and reduced by vote of Town Meeting to not exceed available budget. Assumes MA School Building Authority funding for FY17 only.

Enterprise Fund Debt Service

- Debt Service projection for water and sewer assumes 25 year financing for all applicable projects
- The Capital Budget plan for Water and Sewer Depts had been smoothed out which lessens the sharp annual increases in debt service